Nova Scotia
Office of Economic Development
Business Plan
2003-2004

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1 Message from the Minister

For the province of Nova Scotia, the year 2003-2004 marks a departure from using traditional economic development management models.

The new entity that has emerged from last year's merger of the Department of Economic Development and the Technology and Science Secretariat has been given overall responsibility for monitoring progress on key economic development outcomes across government and for proposing adjustments where these are needed.

This progressive reorganization in the way government encourages economic advancement bolsters the government's system for supporting growth in the economy, technology, and innovation. At the same time, development work currently led by other provincial departments in their particular areas will continue unchanged, with Economic Development participating in a collaborative or support role as required.

Throughout the coming year and beyond, we look forward to continuing our collaboration with these departments, with our implementing agencies, and with as broad a cross section as possible of the province's business community and local development organizations.

We believe the reconfiguration will facilitate co-operation with our partners in the private and public sector, allowing us to help the government deliver on its number-one goal of making Nova Scotia the best place in Canada to live, work, do business, and raise families.

Cecil P. Clarke
Minister

2 Message from the CEO

The reorganization of OED recognizes the government's role as a model user of technology in leveraging the use of best-practices technology more widely throughout government and other sectors of the economy.

Just as importantly, the combination of economic development, technology, and innovation also recognizes the ability of technology and innovation to drive economic growth through increases in productivity wherever innovation occurs.

The government's objective, whether in the new or the traditional economy, is to promote close linkages within the province's innovation systems, taking them to levels that match or exceed the highest national standards. In doing so, we are shoring up the infrastructure and educational foundations on which we will build future economic growth in the knowledge economy.

OED looks forward to working with our partners in other government departments, in the broader public sector community of municipalities, schools, and hospitals, and in OED's own implementing agencies – In*NOVA*corp, Nova Scotia Business Inc., the Nova Scotia Film Development Corporation, World Trade Centre Ltd., and the Waterfront Development Corporation. We look forward to working within an economic development system of closely linked public and private sector organizations that together can create and sustain the right conditions for ongoing growth and prosperity. And we look forward to our new role as the focal point for government's economic development, innovation, and technology efforts.

R. A. MacKay
Chief Executive Officer

3 Mission

The Office of Economic Development (OED) is the focal point within the provincial government for advancing government's economic, technology, and innovation agendas. OED researches, develops, and advances corporate policies and strategies, leads strategic initiatives, and provides advice to government leading to a productive and sustainable economy.

4 Planning Context

The government of Nova Scotia's *Corporate Plan* identifies a "self-sufficient and prosperous" province as one of its three priorities. The plan proposes to support the foundations for economic growth, ensure the participation of Nova Scotians, and deepen confidence in the province's ability to compete.

The province's economic growth strategy, *Opportunities for Prosperity*, released in 2000, is the framework for achieving prosperity. The strategy, linked closely with *Skills Nova Scotia*, the province's skills agenda, and *Seizing the Opportunity*, the provincial energy strategy, spells out what Nova Scotia must do to achieve its economic development goals. The province is also guided by its *Business and Technology Strategy*, the government IT community's strategy for aligning information and technology with the business vision of government.

The 2002 launch of OED completed a major reorganization of how the Nova Scotia government encourages economic growth. OED, the result of the merger of the Department of Economic Development (NSED) with the Technology and Science Secretariat (TSS), is the newest addition to a family of organizations designed to build on provincial economic development, innovation, and technology opportunities.

In merging NSED and TSS, the province recognized the importance of combining government's role in economic development policy-making with its role in technology and innovation to create the right climate for productive and sustainable businesses, communities, and government. The province also recognized the potential of government itself as a driver of economic development, as a purchaser and leading user of technology.

OED will spearhead and co-ordinate provincial government work on economic development, innovation, and technology issues. OED will work with its partners from all orders of government, from business, and from communities across the province to create the right conditions for a prosperous province. Together, all these agencies form an economic development system working for the advancement of Nova Scotia.

OED will work closely with the other organizations in the economic development family. These include OED's implementing agencies: Nova Scotia Business Inc., In*NOVA*corp, the Nova Scotia Film Development Corporation, World Trade Centre Ltd., and the Waterfront Development Corporation. OED will cooperate with other government departments exercising relevant economic responsibilities. Through this coordinated approach, OED will bring a clear

focus to the province's work on economic development, innovation, and technology issues. In the analysis done for the development of the mission and mandate for OED, it was clear that the biggest gap in Nova Scotia's approach to support for economic development was the absence of "ownership" for the whole government system of support for economic growth, the encouragement of innovation, and the maximization of the use of technology to enable government to deliver.

OED will operate in the context of not only *Opportunities for Prosperity*, but also the *Business and Technology Strategy,* and *Innovative Nova Scotia*, the provincial innovation policy. OED will develop strategies, policies, and initiatives in line with the strategic directions set out in these key documents and will monitor, report, and recommend to government on related matters OED is a work in progress. In 2003/2004, OED will test new approaches and finetune them as required.

The *Business and Technology Strategy* supports a thriving economy by enabling productive, sustainable government. OED will seek to use information and technology to support government's business, through quality and accessibility of services, efficient operation of government, leveraging of information, and promotion of the economy. OED will be guided by the following principles:

- information and technology investments will be fiscally responsible and sustainable
- strategic alliances with private and public sector agencies will be pursued
- common, shareable, and integrated solutions will be pursued
- best practices will be used.

Innovative Nova Scotia has been developed to stimulate awareness about the importance of maximizing the impact of innovation on enhancing economic growth in Nova Scotia. The policy provides clear direction fo government decision-making aimed at expanding provincial innovation capacity.

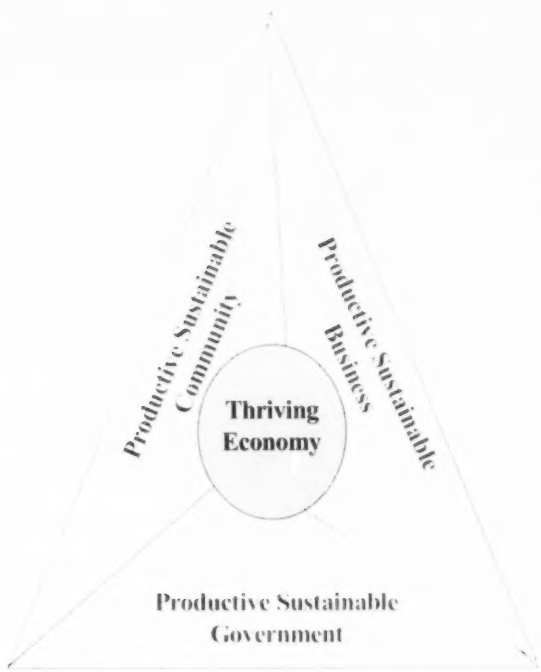
The broad outcomes of OED's work are those stated in *Opportunities for Prosperity*. Using 1999 as a base year, Nova Scotia seeks:

- continued balanced budgets
- increases in provincial employment by 20,000 by 2005
- investment per person above the national average by 2005
- export expansion by $2 billion, or 40% by 2005
- exports per person above the national average by 2010
- provincial GDP growth above the national average over the next 10 years
- consistent net in-migration through to 2010

Achieving these objectives will produce the *Opportunities for Prosperity* vision: a thriving Nova Scotia that by 2010 is the best place in Canada to live, work, do business, and raise families.

5 Strategic Goals

- To work collaboratively – across government departments, throughout the broader public sector, and with communities and business partners – to build a thriving economy.



- To strengthen leadership and coordination of strategies, policies, and initiatives in the key areas identified in *Opportunities for Prosperity* to maximize the benefits of government's work in economic development, technology, and innovation.

- To support regional economic development in partnership with provincial and community development organizations and local governments.

- To guide and leverage government's investments in the application of technology and information in support of efficient government and accessible, quality service.

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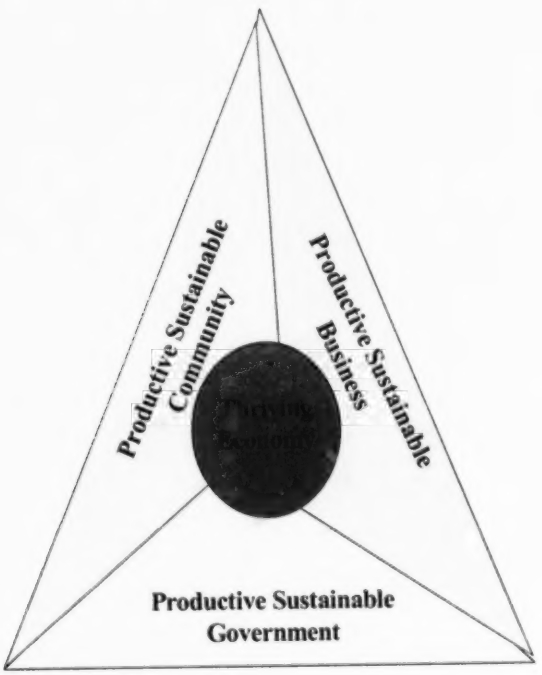

- To strengthen leadership and coordination of strategies, policies, and initiatives in the key areas identified in *Opportunities for Prosperity* to maximize the benefits of government's work in economic development, technology, and innovation.
- To support regional economic development in partnership with provincial and community development organizations and local governments.
- To guide and leverage government's investments in the application of technology and information in support of efficient government and accessible, quality service.

6 Core Business Areas

As the hub of a set of organizations working on economic development, innovation, and technology issues, OED manages the overall system agenda. OED derives its own five core business areas from thekey government policy documents noted above.

OED's fundamental business is leadership of the province's economic development, innovation, and technology support systems. OED's core business areas are those items in the left-hand column in the following table. OED leads the provincial government's work on those issues, in close coordination with others. OED collaborates with other organizations, both federal and provincial, on issues in the middle column, leading some aspects of the work. OED plays primarily a supportive role on the issues in the right-hand column.

Lead Role	Collaborative Role	Support Role
Economic Development Leadership & Co-ordination	Labour Force Development	Infrastructure
Business Climate	Trade & Investment	Foundation Industries
Technology & Information Management	Industrial Benefits	Growth Sectors
Innovation		
Regional Capacity		

OED's engagement in all of the above issues will include staff as required from the four teams within OED - Decision Support, Policies & Strategies, Strategic Initiatives and Community and Regional Development.

Decision Support

- provides research, evaluation, and performance-measurement support to all aspects of the economic development, innovation, and technology system.

Policies & Strategies

- provides research, analysis, leadership, and support for the development processes underpinning implementation of government's projects and initiatives in economic development, innovation, and technology policy and strategy development.

Strategic Initiatives

- provides leadership, planning, management, and other support to strategic initiatives that advance the economic development, innovation, and technology system's agenda.

- provides project integration and management support to initiatives approved through the corporate planning process
- supports a coordinated and integrated approach to project management across the system

Community and Rural Development

- supports community leadership for effective regional development throughout the province by providing information, advice, and resources to provincial, regional, and local organizations, to local governments, and to the general business community.
- collects and distributes information and intelligence from these organizations for OED and its agencies.

7 Priorities

Core Business Area - Leadership and Coordination in economic development, innovation, and technology. Working closely with its implementing agencies and with other provincial departments working on economic development related issues, OED 2003/2004 priorities are:

- System coordination - Support the meetings which bring together key players in the economic development, innovation, and technology system;
- OED role definition and development - Work with OED staff and with the OED implementation agencies to broaden the understanding of OED's new role;
- *Opportunities for Prosperity* oversight - Produce the 2003 annual review of progress and re-visit and validate OfP for 2004/05;
- SAP Public Sector strategy - Oversee the strategy for the implementation of SAP, the province's Enterprise Resource Planning tool, within the public sector.

Core Business Area - Business Climate Working closely with implementing agencies, other related provincial and federal departments, OED will work to develop the conditions to encourage the private sector to expand and innovate. OED will ensure that policy is in place. Other organizations will take primary responsibility for implementing policies. OED's 2003/2004 priorities are:

- Improve the general business climate - Complete the annual update of the Business Climate Index and analyze the results to identify action opportunities;
- Immigration - Implement the Provincial Nominee Program.

Core Business Area - Technology & Information Management Working with government departments and public sector agencies, OED will seek opportunities for coordination, collaboration, and partnership. OED will seek to enable the optimization of the efficiency and effectiveness of government operations, supported by cost-effective and innovative use of technology and information.

- Information Management Framework - Develop a corporate Information Management Strategy and Framework for Government-held information. A multi-phased project, Phase 1, is expected to be completed during fiscal year 2003-04;
- E-government Framework Strategy development process - Develop a strategy and recommendations for implementing a framework supporting the deployment of e-government services;
- Data Center Service Project - Facilitate the process for implementation of a replacement contract for Government of Nova Scotia Data Centre services by Sept. 2003.

Core Business Area - Innovation Working with partners from various sectors, OED will expand provincial innovation capacity by building up the linkages and infrastructure of the innovation systems which bind Nova Scotian innovators with public, private, and academic innovation assets. OED's 2003/2004 priority is:

- Implementation of the Innovative Nova Scotia policy/strategic direction - Launch *Innovative Nova Scotia* publicly to provide emphasis and coordinated direction for Province of Nova Scotia innovation activity;

Core Business Area - Regional Capacity Working with federal and municipal governments and with community based agencies, and building on progress made in recent years, OED will work to expand community capacity to identify and meet development challenges. OED will encourage and reward community initiative. It will support regional efforts based on community assets and strengths. A key challenge is to develop policy which include groups and citizens historically excluded from these processes. OED's priorities for 2003/2004 are:

- Community Development Policy - Finalize and implement the Community Development Policy, begun in 2002/03. Develop an action plan and initiate implementation;
- Regional development planning - Create and implement regional development strategies with partners and support regional development organizations, particularly in communities in transition;
- Community Access Program- Ensure that C@P sites continue to evolve to meet the needs of their communities as an integrated function of community and rural development infrastructure.

8 Budget Context

Office of Economic Development - Estimated Budget Expenditures			
	Estimate 2002\03 (Per 2003\04 Estimates Book)	Forecast 2002\03 (Per 2003\04 Estimates Book)	Budget 2003\04 (Per 2003\04 Estimates Book)
	$ Millions	$ Millions	$Millions
Total Program Expenses - Gross Current	$40.9	$37.2	$37.6
Net Program Expenses - Net of Recoveries	$34.0	$30.2	$30.9
Salaries and Benefits (Gross)	$5.5	$4.8	$5.3
Funded Staff (FTEs) (Gross)	82.5	65.7	81.5
Funded Staff (FTEs) (Net)	80.5	63.7	74.8

9 Outcome/Performance Measures

Developing outcome measures for OED's work poses challenges. Nova Scotians know whether the economy is performing when people are working and their salaries provide sufficient income to meet their needs. However, many of the factors behind sound economic performance are beyond the control of government or any one department. Nonetheless, OED will continue to set goals and measure progress towards them.

What will be different in 2003/2004 is that OED will assume overall responsibility for monitoring progress on key economic development outcomes and proposing adjustments if progress lags. OED will monitor the economic outcomes proposed in government's *Corporate Plan*, *Opportunities for Prosperity*, and in the Government Business Plan.

Economic Development Outcomes - Opportunities for Prosperity			
Outcome	Measure	Base Year Measure	Target
Sound financial management	Balanced Budget		Budget Balance maintained
People working	Increased employment levels	409,000 employed (1999) [423k/01]	Increase by 20,000 by 2005
Confidence in the economy	Increased investment	$5307/person in NS $5617/person C'da	NS above national average by 2005
A competitive economy	Total exports	$4.08B (1999)	Expansion by $2B by 2005
	Exports/person	$4.3m/person in NS $11.6/person C'da	NS above national average by 2010
A growing economy	GDP	$22,247m (1999)	Growth above the national average 1999 to 2010
An attractive economy	Net in-migration	1,000 people (1999)	Consistent net in-migration to 2010

In addition to monitoring indicators of overall performance, OED will work closely on outputs, outcomes, and measures in its five core business areas. OED has developed outcomes for each of the core business areas it leads. Work on OED's priorities will help achieve these outcomes. OED's operational plan will provide details of its activities in these areas. The operational plan will also spell out OED's proposed activities in the work it does in collaboration with other departments on other important business areas.

Core Business Area - Leadership and Coordination					
Outcome	Indicator	Measure	Base year Measure	Target 03-04	Strategies to achieve target
A well coordinated economic development, innovation, and technology support system	Value placed on system co-ordination meetings and initiatives	Participant satisfaction	Establish and develop baseline measure and data (2003-04)	Develop and implement measure	- support to OED Heads of Agencies meetings, Deputies' discussion of economic development issues, BTAC and ITDF - lead SAP Public Sector strategy - develop strategy to continue strong relationships with the federal government in the context of the end of the Economic Diversification Agreement - mount IT Info fair - lead development/implementation of an integrated F/P international trade strategy - collaborate on Brand Nova Scotia - implement industrial benefits activities, especially in aerospace and defence sectors
Implementation of *Opportunities for Prosperity*	Percentage of *OfP* activities implemented	Annual progress report	Progress report completed in November 2002	Produce second progress report	- produce second report - develop action plan for 2004/05
Leverage government investment	Increased collaboration and coordination through SAP public sector program	Savings achieved through economies of scale			- establish SAP office - establish framework for realization tracking - implement SAP HR payroll within Public Sector and School Boards

Core Business Area - Business Climate					
Outcome	Indicator	Measure	Base year Measure	Target 03-04	Strategies to achieve target
The most competitive Business Climate in Atlantic Canada	Economic vitality Competitive tax and regulatory environment	Nova Scotia Business Climate Index	Business Climate Index (2002)	Publish the 2nd annual Business Climate Index	- use BCI to identify elements of the business climate needing attention. Take appropriate action - develop a paper on demand for skilled workers
	Successful attraction & retention of immigrants to fill targeted N.S. skill gaps	Number of nominee certificates issued through the Provincial Nominee Program (PNP)	PNP agreement signed (2002-03)	50 PNP certificates issued	- work with stakeholders, PNP consultant, and federal government to determine needs, identify immigrants, and facilitate entry

Core Business Area - Technology & Information Management					
Outcome	Indicator	Measure	Base Year Measure	Target 03-04	Strategies to Achieve Target
Enhanced effectiveness and efficiency of government operations supported by cost effective and innovative use of information and technology	Cost savings on significant Government of Nova Scotia technology - related contracts	Government Data Centre Services contract - Savings new versus existing contract	$4.5 million per year for mainframe and other services under current contract	To be determined. Dependent on services to be included within scope of contract	- facilitate, in partnership with TPW, the process leading up to the implementation of a replacement contract for government data centre services by September 2003.
	More efficient & effective HR business process within the school boards and provincial government	Reduction of number of steps and time required to complete a business process	'As is' state will be documented as part of the project	'To Be' state will be determined as part of the project	- implement SAP/HR payroll project
		Reduction of number of processes through standardization	'As is' state will be documented as part of the project	'To Be' state will be determined as part of the project	

Core Business Area - **Innovation**					
Outcome	Indicator	Measure	Base Year Measure	Target 03-04	Strategies to Achieve Target
A more innovative N.S.	Improved Nova Scotian performance, (compared with other Canadian jurisdictions), on key innovation-related statistical indicators.	To Be Determined Indicators/ measures being developed in concert with activities currently underway at the national level by Industry Canada and other provincial/ territorial jurisdictions.	TBD (Should have measures in 03-04)	TBD	- implement the Innovative Nova Scotia Policy and Strategic Direction

Core Business Area - **Regional Capacity**					
Outcome	Indicator	Measure	Base Year Measure	Target 03-04	Strategies to Achieve Target
Expanded regional capacity to support economic growth	Communities actively engaged in their own development	Number of communities with community development plans	TBD in 2003/04		- prepare and implement new Community Development policy - work with RDAs on community development plans - identify economic opportunities
	Regions with stable or increasing capacity	Number of regions with stable or increasing capacity	No baseline available	Development of baseline measure	- work with regional teams on CD policy implementation and updating of regional strategies - work with regional teams on implementation of *OfP*
	Deployment of sustainable province wide network of public-access Internet sites	Number of active public access Internet sites	200 active sites (01-02)	75% of total sites in continued operation in 04-05	- develop and deploy partnered initiatives to maximize opportunities afforded by network of public-access Internet sites

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